

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES and EXCHANGE
COMMISSION,

Plaintiff(s),

v.

HEALTH MAINTENANCE CENTERS, INC.,
et al.,

Defendant(s).

NO. C02-153P

ORDER ON
(1) DISTRIBUTION PLAN
(2) DISPUTED CLAIMS PROCESS

The following order is being entered to set the procedural guidelines for two events remaining in this litigation: the approval of a distribution plan for the Receiver's proposed allowed claims and the resolution of the remaining disputed claims.

IT IS HEREBY ORDERED that

1. The Receiver shall file a document containing (a) the allowed claims which he proposes to honor and (b) a proposed distribution plan for the payment of those claims; the document shall be filed with the Court no later than **August 12, 2005**. The Receiver is herewith ordered to hold in reserve an amount equal to the outstanding disputed claims and the estimated remaining administrative costs associated with managing the trust for its duration.
2. Any objections to the proposed allowed claims or the proposed distribution plan shall be filed with the Court by **August 31, 2005**; no objection shall exceed five pages in length.
3. A hearing on the proposed allowed claims and distribution plan shall be held on **September 23, 2005, at 3:15 p.m.**

1 IT IS FURTHER ORDERED that

- 2 4. The Receiver shall file a list of the disputed remaining claims and his reasons for
3 disallowing them; the document stating the reasons for disallowing the claims shall not
4 exceed eight (8) pages in length and shall be filed with the Court no later than **August**
5 **31, 2005**.
- 6 5. The response of the claimants whose claims have been disallowed, along with all
7 evidence on which they intend to rely in support of their claim, shall be filed with the
8 Receiver by no later than **September 30, 2005**; no response shall exceed ten (10) pages
9 in length (not including attachments). Each response shall contain the following
10 information:
- 11 A. The amount which is being requested and the reasons therefor;
- 12 B. Whether the claimant requests
- 13 I. oral argument on the disputed claim, or
- 14 II. a decision on the written pleadings alone.
- 15 6. The Receiver's reply to claimant's response shall be filed with the Court by **October**
16 **31, 2005** and shall not exceed two (2) pages in length. At the time the reply is filed, the
17 Receiver shall submit all the claimant's responses and the attached exhibits to the
18 Court. The claims shall be catalogued by claimant category (i.e., pooler, investor or
19 employee) and accompanied by a list of all disputed claims by category.
- 20 7. Oral argument on the disputed claims shall be held on **November 16, 2005**, beginning
21 at 9 a.m. The amount of time for each argument will be assigned based upon the
22 number of claimants who wish to make a presentation to the Court.
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2 The clerk is directed to provide copies of this order to all counsel of record; the Receiver or
3 counsel for the Receiver shall insure that a copy is provided to all affected claimants.
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5 Dated: August _3_, 2005

A handwritten signature in black ink, appearing to read "Marsha J. Pechman", written over a horizontal line.

6 Marsha J. Pechman
7 U.S. District Judge
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